



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
Washington, D.C. 20224

SMALL BUSINESS/SELF-EMPLOYED DIVISION

October 20, 2014

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MEMORANDUM FOR EMPLOYMENT TAX TERRITORY MANAGERS, GROUP
MANAGERS AND SPECIALISTS

FROM: Daniel R. Lauer /s/ **Daniel R. Lauer**
Acting Chief, Employment Tax Operations

SUBJECT: New Backup Withholding Procedures

The purpose of this memorandum is to alert examiners of revised procedures under Revenue Procedure 2014-43, [IRB 2014-32 - Rev. Proc. 2014-43](#) regarding ways a payee may prevent or stop backup withholding.

Beginning on or after August 1, 2014, in response to a second B notice, an individual payee may prevent or stop backup withholding, as required under Code Sec. 3406(a), by providing the payor with a valid copy of a Social Security card.

The payor may assume that a Social Security card is correct:

- If the name and SSN combination appearing on the card differ from the name and SSN combination appearing on the second B notice, or
- If the Social Security card is dated no earlier than six months prior to the date of the second B notice.

If a payee does not have a Social Security card, the individual must obtain a new or replacement card from the SSA.

If you have any questions concerning this process, please contact Sarah H. Plowman, Senior Policy Analyst, SB/SE Employment Tax.